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December 2, 2021

VIA ELECTRONIC FILING
The Honorable Jocelyn G. Boyd
Chief Clerk/Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Re: South Carolina Office of Regulatory Staff's Motion to Solicit Comments from Utilities and Other Interested Stakeholders Regarding Measures to Be Taken to Mitigate Impact of Threats to Safe and Reliable Utility Service
Docket No.: 2021-66-A

Response to ORS Draft Report

Dear Ms. Boyd:

On September 30, 2021, ORS filed its draft report on the Resiliency of South Carolina's Electric and Natural Gas Infrastructure Against Extreme Winter Storm Events (the "Draft Report"). The Draft Report, prepared by Guidehouse Inc. ("Guidehouse"), communicates ORS's preliminary findings related to its South Carolina power grid review based on information provided by approximately 65 utility providers. Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP" and together with DEC, the "Companies") support the findings of ORS and the assessment conducted by Guidehouse, and note the Companies are continually working to improve and harden the electric grid for the benefit of their customers across the Carolinas.

The Companies also appreciate ORS's willingness to provide additional feedback on the Draft Report and to collaborate and engage in dialogue with the parties on these topics. Specifically, ORS conducted a webinar to discuss the Draft Report and offered to meet individually with the utilities to discuss its findings. ORS and Guidehouse met individually with the Companies twice to discuss the Draft Report, and permitted the Companies to supplement previously provided information to give a more complete understanding of the Companies' practices regarding how it manages its generation, transmission, and distribution assets during extreme winter events, the continued investments the Companies are making in their transmission and distribution systems to enhance reliability and resiliency, and the many ways the Companies communicate with stakeholders and the public before, during and after events. The Companies appreciate ORS's and Guidehouse's continued willingness to engage with the Companies as they prepare their comprehensive final report.

Although DEC and DEP have shared additional information with ORS and Guidehouse, they believe certain clarifying details may be beneficial for the Commission's understanding of the Companies' current practices. To that end, the Companies appreciate the opportunity to provide limited comments below on the Draft Report and look forward to ORS's final evaluation.

A. Diversity of Generation Mix

One of the key factors in maintaining a reliable and resilient grid is ensuring a diversity of generation supply resources. On Page 22 of the Draft Report, ORS explains the advantage South Carolina's power grid has over that of Texas due to a greater fuel diversity. Whereas ORS found that Texas "has a high reliance on natural gas," South Carolina fuels less than one-quarter of its electricity production with natural gas and its imports are "sourced from a variety of locations including the Gulf Coast, Mid-Continent, and Appalachia." While DEC and DEP provide service to South Carolina customers from a diverse mix of generation sources located in South and North Carolina, a continued focus on diversity of generation supply resources is important as it provides economic and reliability benefits to customers through alleviating concentrated dependence on any one fuel, weather dependent resources, or demand-side management and demand response programs.

Diversity of generation supply resources is also highlighted in Act 62 as a primary Commission consideration in reviewing and approving integrated resource plans.[1] Important factors in continued diversity in generation supply resources are the need for transmission and distribution investments undertaken by DEC and DEP. Such investments, if strategically made, can help to ensure a diverse and reliable grid. Further, additional opportunities and associated customer benefits are likely to develop for South Carolina as refinements are made that impact generation supply diversity.

The 11 Indicator Areas reviewed by ORS and Guidehouse align well with maintaining resource adequacy and assurance in a changing resource mix environment and with ensuring interdependencies are identified and properly coordinated. They also properly evaluate whether the utilities are responding appropriately to system contingency events, managing fuel availability and security, and monitoring and controlling the transmission system reliably. All of these factors are critical to the success of providing reliable operation of the bulk power system not only during extreme winter events but also when other threats to the system arise.

B. Stakeholder Engagement and Public Communications

The Draft Report noted a "foundational level of maturity in accurately communicating and developing a utility's resilience strategies and plans with their stakeholders" but a "leading level of maturity in fostering effective public communications of resilience information to identify resilience gaps related to climate hazards." The Companies' Public Communications and Stakeholder Engagement models are both highly rated among Large Electric Utilities (LEUs). ORS graciously met with representatives of the Companies to discuss their current practices and how they align with ORS's recommendations. DEC and DEP agree with ORS's recommendations

[1] S.C. Code Ann. § 58-37-40(C)(2)(f).

related to the Indicator topics of Public Communications and Stakeholder Engagement as examples of industry best practices and are pleased to provide the following additional information to the Commission regarding their Public Communications and Stakeholder Engagement processes and procedures.

Duke Energy Corporation's ("Duke Energy" or the "Company") robust emergency response communication plan is built around four phases of an event:

- The first phase takes place prior to any emergency event. During this phase, Duke Energy prepares information related to the Company's preparedness, how customers should prepare for extended outages, safety tips, and reminders of how to report outages to share with customers, community leaders and other stakeholders. Additionally, Duke Energy uses data from previous storms to project how many outages may be experienced, based on similar conditions, and that information is shared publicly through news releases, social media posts, website and outage map updates, and direct-to-customer communications, including email, text messages and outbound calls. Finally, a specific outbound call campaign is initiated to residential customers who have special medical needs and to critical care facilities.

- The second phase occurs during the event and focuses on acknowledging the event and its impacts as well as what to expect as restoration begins. During this phase, the Company focuses on providing customers and other key stakeholders with up to date information. While the event may still be occurring, there is often information on additional crews that have been assembled and timing of when updates will be available to share. Similar to phase one, a myriad of communication channels are used to share information with the public. During this phase, our local government and community relations teams work closely with elected officials, large customers, and other local leaders to gather information on critical outages and other damage to inform the restoration efforts.

- The third phase occurs after the event has ended and focuses on getting customers the information they need to stay safe and plan for extended outages. Estimated Times of Restoration ("ETR") are shared as soon as the Company has a broad understanding of damage. The first ETR provides customers and other stakeholders the time when Duke Energy believes – based on past experiences – the last customer will be restored. During this phase the Company also engages field communicators who provide location-specific updates to local media and share specific restoration information via social media. The Company also keeps community leaders updated on restoration efforts and gathers feedback about community impacts to provide situational awareness to the restoration teams. Throughout the event, ETRs become more specific and are updated on Duke Energy's outage map and shared with customers through direct communications.

- The fourth phase focuses on thanking customers for their patience and – at a local level - on successes and opportunities for improvement for future events. Duke

> Energy conducts "lessons learned" sessions soon after the conclusion of phase four to determine what messages worked or did not work well for customers. Tools such as Cision (media monitoring) and Sprinklr (social media) are used to assess content coverage, engagement, and tone and to incorporate feedback into the overall event communications plan.

As shown above, the Companies have a robust emergency response communication plan that aligns well with ORS's recommendations and serves to keep the Companies' customers and stakeholders informed before, during, and after emergency events – including severe winter weather.

In conclusion, the Companies support the findings of ORS and the assessment conducted by Guidehouse and appreciate their willingness to engage with the Companies throughout this process to create a robust and accurate final report. The Companies believe the Draft Report shows DEC and DEP are well positioned to be prepared for the challenges of today – including extreme winter weather events. However, the findings also show the need for the Companies to continue their focus on maintaining a diverse mix of generation sources and strategically made transmission and distribution investments that support reliability and resiliency.

Kind regards,

Sam Wellborn

cc: Parties of record